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March 17, 1997

CONFIDENTIAL -- VIA HAND DELIVERY

Ms. Meredith Jones
Chief
Cable Services Bureau
Federal Communications Commission
2033 M Street, N.W.
Room 918
Washington, D.C. 20554

Dear Ms. Jones:

Enclosed please find (i) a copy of a Carriage Agreement Complaint filed by Classic Sports Network, Inc. ("CSN") today, and (ii) a copy of an affiliation agreement ("Agreement") which was appended to CSN's complaint in redacted form.

Pursuant to 47 C.F.R. §§ 0.459 and 76.1302(h), CSN requests that the Commission treat the enclosed Agreement on a confidential basis. The Agreement is not routinely available for public inspection, and the Agreement contains trade secrets and financial information of a proprietary nature. This application for confidential treatment is filed in the event that the Agreement is not covered by 47 C.F.R. § 0.457 (providing confidential treatment for trade secrets).

Please notify us within five (5) days if such application for confidential treatment is denied, so that CSN may exercise its options under 47 C.F.R. § 0.459(g).

Sincerely,

Robert A. Garrett

Robert A. Garrett

Enclosures

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Federal Communications Commission
Office of Secretary

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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CABLE SERVICES BUREAU

In the Matter Of	)
CLASSIC SPORTS NETWORK, INC.,	)
Complainant,	)
v.	) File No. ________
CABLEVISION SYSTEMS CORPORATION,	)
Defendant.	)

CARRIAGE AGREEMENT COMPLAINT

TO: The Commission.

Complainant, Classic Sports Network, Inc. ("CSN"), for its Complaint against the defendant, Cablevision Systems Corporation ("Cablevision"), alleges as follows:

1. This Complaint is brought pursuant to Section 616 of the Communications Act of 1934, 47 U.S.C. § 536 ("Section 616"), and §§ 76.1301(a) and (b) of the Commission's rules, 47 U.S.C. §§ 76.1301(a) and (b), arising from Cablevision's insistence upon a financial interest in CSN as a precondition to carrying CSN's program service, Classic Sports Network (the "Service"), on major cable systems in violation of 47 C.F.R. § 76.1301(a). Cablevision has also engaged in coercive behavior in an effort to force CSN to provide

Cablevision with exclusive rights against other multichannel video programming distributors as a condition of carriage, and has retaliated against CSN for failing to provide Cablevision with such exclusive rights, in violation of 47 C.F.R. § 76.1301(b).

PARTIES AND JURISDICTION

2. CSN, a New York corporation, has its principal office and place of business at 300 Park Avenue South, 6th Floor, New York, New York 10010. CSN's telephone number is (212) 529-8000. CSN distributes video programming to cable operators and other multichannel video programming distributors, and is a video programming vendor as defined in 47 U.S.C. § 536(b) and 47 C.F.R. § 76.1300(d).

3. Cablevision, a Delaware corporation, has its principal office and place of business at One Media Crossways, Woodbury, New York 11797. Cablevision's telephone number is (516) 364-8450. Cablevision, directly and through its affiliates, provides cable service over cable systems and is a cable operator, i.e., a multichannel video programming distributor, as defined in 47 C.F.R. § 76.1300(c).

4. CSN provided Cablevision with written notice of its intent to file a complaint with the Commission, as required by 47 C.F.R. § 76.1302(a), on February 28, 1997. A true copy of that notice is attached hereto as

Exhibit 1. Cablevision responded to such notice on March 7, 1997.

5. Attached hereto as Exhibit 2 is an affidavit executed by Stephen D. Greenberg, President of complainant CSN, as required by 47 C.F.R. § 76.1302(c)(2).

FACTS

6. CSN distributes the Service, a video program service focusing on classic sporting events and sports personalities. Unlike most cable programming services, the Service was conceived and created, and is operated, by two individual entrepreneurs without the backing of any MSOs or cable programming companies. As such, CSN is one of the few independent programmers to have launched a new network in recent years. Since its launch in May 1995, CSN has obtained carriage on over 175 cable systems, as well as with the two leading direct broadcast satellite services.

7. Cablevision is the sixth largest cable operator in the United States. It operates cable systems in six states. A number of Cablevision's systems are located in the New York metropolitan area, including parts of New York City, Long Island, Connecticut and New Jersey. These systems alone have over one million subscribers, representing approximately 60% of the homes in the New York ADI. In all, systems

owned and managed by Cablevision have a total of 2.8 million subscribers.

8. Affiliates of Cablevision, including its wholly-owned subsidiary Rainbow Programming Holdings ("Rainbow"), provide video programming services that are distributed both by Cablevision systems and unaffiliated multichannel video programming distributors. Among the Cablevision-owned programming services are eight regional SportsChannel services, including SportsChannel New York ("SCNY") and a second New York SportsChannel ("SC2"), which feature live and other sports programming; the sports services of Prime SportsChannel Networks, including Prime Network and NewSport; and other services including American Movie Classics, Bravo, Romance Classics, the Independent Film Channel and Rainbow News 12. Cablevision also has an ownership interest and a 50% management interest in Madison Square Garden Corporation ("Garden"), which controls broadcast and cable rights to several New York professional sports teams and other sports events, and which owns Madison Square Garden Network ("MSG"), a sports-oriented programming service which is distributed throughout the New York market. Cablevision has announced an agreement to increase its interest in Garden and MSG to 100% ownership.

CSN's Affiliation Agreement With Cablevision and Its Unsuccessful Attempts in 1994-95 to Obtain Carriage

9. CSN launched its service in May 1995. Prior to that launch, CSN had discussions with a number of potential investors, including Liberty Sports, the predecessor of Fox Sports Net and the sports programming arm of Liberty Media Corporation. Initially CSN decided, however, not to approach Cablevision for an investment.

10. In April 1994, CSN publicly announced its plans for the Service, and it was widely reported in the news media that Liberty Sports was one of CSN's backers. (The deal with Liberty Sports, while anticipated at that time, ultimately did not materialize.) Shortly before CSN's announcement, Ed Frazier, who was President of Liberty Sports at the time, told CSN that Cablevision wanted to invest in CSN and that it was threatening to announce a competing "classic" sports channel, apparently as a tactic to obtain an interest in CSN.

11. Frazier subsequently told CSN that he had offered Cablevision an opportunity to invest in CSN, because he believed Cablevision would not agree to carry CSN unless it was granted an ownership interest. Although CSN previously had determined not to seek an investment from Cablevision, at Frazier's suggestion a meeting was set up between Stephen Greenberg and Brian

Bedol (CSN's Chief Executive Officer) and Josh Sapan, President of Rainbow. Sapan confirmed that Cablevision wanted to purchase an interest in CSN and arranged a further meeting to discuss such a purchase.

12. After these initial contacts, CSN received additional inquiries from Cablevision during 1994 regarding a possible investment, but CSN decided not to pursue the potential investment with Cablevision any further. CSN's decision not to include Cablevision as an investor was reinforced by the conversations with Sapan, in which he made it clear that Rainbow wanted to manage CSN, as well as invest in it. CSN was not interested in turning over its management to Cablevision. During the period prior to the launch of the Service, Cablevision was the only major MSO that was unwilling to meet with CSN about carrying the Service on its cable systems.

13. In May 1995, after CSN was launched on other systems, Greenberg received a phone call from Mack Budill, Director of Programming of Cablevision, saying that Cablevision was interested in launching CSN and needed to get an affiliation agreement done right away.

14. Following Budill's phone call to Greenberg, CSN and Cablevision hastily negotiated an affiliation agreement and executed it on July 26, 1995, so that Cablevision could launch CSN during its upcoming channel

launch window to coincide with system rate increases. A true copy of that agreement is attached as Exhibit 3. (Pursuant to the Commission's regulations, the affiliation agreement is designated as confidential proprietary information and is being filed in the public record in redacted form.).

15. The affiliation agreement specified the prices, terms and conditions under which Cablevision could carry CSN on any of its systems. It also provided that Cablevision could qualify for CSN's Charter Rates (a reduced rate schedule) if it launched the Service on its Norwalk, Connecticut system by September 1, 1995. Cablevision represented to CSN that it intended to launch the Service on the Norwalk system by that date.

16. In addition to the imminent launch of CSN on the Norwalk system, Budill told CSN of Cablevision's plans for major launches of the Service on systems in Long Island and Yonkers, New York.

17. After executing the affiliation agreement, Cablevision continued to represent to CSN that it planned to launch the Service in Norwalk and on other Cablevision systems, and the parties took steps toward such a launch. On August 1, 1995, Thomas Montemagno, Programming Manager for Cablevision, called Greenberg to say he had "good news" -- Cablevision would launch the Service on September 1, 1995 on its 100,000 subscriber

Norwalk system, and would follow soon thereafter on its 70,000 subscriber Bridgeport, Connecticut system. Montemagno said Cablevision was "going head to head" with Southern New England Telephone ("SNET"), which was introducing a competing multichannel video service in Fairfield County, Connecticut.

18. On August 11, 1995, Montemagno sent CSN an executed Digicipher authorization form to authorize transmission of the Service's signal to the Norwalk system. That form indicated a September 1 launch date for the Service on Channel 78 in Norwalk.

19. On August 21, 1995 -- 11 days before the scheduled launch in Norwalk -- Budill called Greenberg to give him a "heads up" that Cablevision was slated to launch the Service on some small systems in New Jersey and on Long Island, in addition to the Connecticut systems. However, Budill said, there was a "problem" stemming from Cablevision's (incorrect) belief that Liberty Sports was an investor in CSN, while Cablevision had been excluded from making such an investment. Greenberg informed Budill that CSN had no ownership affiliation with Liberty.

20. Despite Greenberg's assurances that Liberty Sports was not an investor, in a subsequent call Budill told Greenberg that Cablevision's launch of the Service had been "suspended" because of the "problem" with

Liberty Sports. Indeed, when Greenberg spoke to the general manager of Cablevision's Norwalk system, Bob Shrader, about this issue, Shrader told him that his hands were tied. The launch had been pulled by "corporate," but Shrader wanted to launch CSN and would hold the channel slot as long as possible.

21. Cablevision did not proceed with the agreed September 1995 launch of the Service on the Norwalk system, nor with the other launches on Long Island, Yonkers and New Jersey that its representatives had indicated would follow. By January 1996, the channel slot on the Norwalk system that had been reserved for the Service had been given away to another programming service.

22. Although CSN definitively established that Liberty Sports was not a partner in CSN, Cablevision did not agree to carry the Service on any of its systems in 1995. Greenberg was subsequently told by Ed Frazier, President of Liberty Sports, that Josh Sapan of Rainbow was adamant about wanting an equity interest in CSN and would not agree to carry the Service until Cablevision obtained an ownership interest in CSN.

23. In early October, Greenberg phoned Charles Dolan, Chairman of Cablevision, to explain his belief that CSN was being treated unfairly by Cablevision,

explaining that no cable operators owned interests in CSN. Dolan told Greenberg to speak with Peter Low.

24. In an effort to resolve the supposed "problem" created by Cablevision's concern about the possible involvement of Liberty Sports, Greenberg sent a letter on October 3, 1995 to Peter Low, Cablevision's Vice President of Programming, with a copy sent to Charles Dolan. A true copy of that letter is attached as Exhibit 4. Neither Low nor Dolan ever responded.

<u>The Popularity Of CSN</u>

25. Apart from its difficulty in obtaining carriage on Cablevision systems, the Service has been very well received in the multichannel video marketplace, both by cable operators and direct broadcast satellite services. It has obtained carriage from major multichannel video programming distributors, including each of the top five MSOs: TCI, Time Warner, Cox, Continental and Comcast. Like Cablevision, each of these distributors has equity interests in video programming services. Unlike Cablevision, all have been willing to distribute the Service to a significant number of their subscribers.

26. Last year CSN entered into an agreement with ITT-Dow Jones Television pursuant to which the Service was carried on the broadcast station WBIS in New York. Because WBIS is a "must carry" station, it is carried on

every cable system (including Cablevision's) throughout the New York ADI including most of Northern New Jersey; Fairfield County, Connecticut; Westchester County, New York; Long Island and New York City. Pursuant to this arrangement, the Service was carried on WBIS from 9 a.m. to 11 p.m. Monday through Friday and noon to 11 p.m. on Saturday and Sunday from July 1 through October 14, 1996, and then expanded those hours to 7 a.m. to 11 p.m. through January 21, 1997.

27. Once exposed in the New York market, the Service became an overnight sensation. Sports and television columnists from every major newspaper wrote articles about the popularity of the Service in New York. In addition, CSN received thousands of letters, phone calls and e-mails from viewers in the New York market expressing their passionate support and desire to continue receiving the Service. Attached as Exhibit 5 are copies of several of the articles and letters CSN has received from New York area subscribers.

28. The popularity of the Service was clear even at Cablevision. While Cablevision's corporate executives balked at carrying the Service, various Cablevision system managers were interested in having the program service, especially the management of Cablevision's Boston system. After weeks of delay, Cablevision approved the launch in February 1996 of the

Service on that system -- but only on a tier that is purchased by approximately 30,000 of Cablevision's 145,000 Boston customers.

29. As described below, top management at Cablevision has consistently refused to carry the Service on its major systems -- especially in the New York area. Individual Cablevision system managers in the New York area, however, have told CSN employees that they love the Service, it is popular with their subscribers and that they would like to carry it. However, all such potential launches have been blocked by the actions of Cablevision's top management.

Cablevision's Demands For A Financial Interest

30. As set forth below, CSN and Cablevision had discussions throughout 1996 regarding carriage for CSN on additional Cablevision systems, especially the important cluster of systems in the New York area. While negotiations dragged on, however, Cablevision repeatedly emphasized the linkage between a financial interest in CSN and carriage of the Service.

31. On September 26, 1996, Greenberg and Bedol attended a cable industry function in New York City. Following dinner, and without any preamble, Josh Sapan, President of Rainbow, and Hank Ratner, Rainbow's Executive Vice President, approached Greenberg, saying Cablevision wanted to buy CSN and asking for CSN's

price. Greenberg informed Sapan and Ratner that CSN had just completed a major financing in early September and had no interest in exploring a possible sale of CSN. Nevertheless, Sapan and Ratner persisted and said that James Dolan, Cablevision's President, spoke frequently about his desire to own CSN. In Sapan's words, Dolan was "obsessed" with buying CSN.

32. The following day, Greenberg and Bedol met with Mark Shuken, Vice President and General Manager of Cablevision's SportsChannel New York ("SCNY"), and Mike Bair, Executive Vice President of SportsChannel. This meeting had been scheduled several days earlier at Shuken's request. At the meeting, Shuken said he wanted to discuss a possible arrangement by which the Service could be carried on New York area cable systems as a complement or "wraparound" to SCNY or SC2 programming, in which CSN programming would be shown during those periods in which live sports programming was unavailable. In that meeting, Shuken presented two such "wraparound" scenarios. Bair then offered a third option which, he made clear, was Cablevision's preferred scenario: sell CSN to Cablevision outright. Bair said James Dolan was talking about buying CSN "in every meeting we have," and recommended that Greenberg and Bedol pursue the idea quickly. In fact, Bair indicated an interest in examining CSN's books and records so that

Cablevision could structure an offer for CSN. Greenberg and Bedol again rejected a sale to Cablevision, but indicated a desire to pursue carriage discussions either as a wraparound or 24-hour stand-alone service.

33. Following more conversations concerning carriage for the Service on Cablevision's New York area systems, another meeting was held in Woodbury, New York on October 9, 1996. Greenberg had scheduled the meeting with Shuken, but they were joined by Bair and Ratner, who had been with Sapan during the September 26 conversation in New York. The "wraparound" scenarios were never discussed. Instead, Ratner immediately raised the issue of Cablevision's buying CSN. Greenberg reiterated that CSN was not for sale. Ratner repeatedly pressed Greenberg for a price at which CSN would sell to Cablevision, and Greenberg refused to do so. If Greenberg would not name a price, Ratner suggested, CSN should at least give Rainbow access to CSN's financial information, affiliation agreements and program supply agreements, so that Rainbow could make a purchase offer. CSN refused to do so, but Ratner told Greenberg to think about it and call him the following day.

34. Greenberg did not call Ratner. Two days later, Ratner called Greenberg again to inquire as to his willingness to entertain an offer to sell CSN.

Greenberg reiterated, yet again, that CSN was not for sale.

35. In January 1997, an intermediary with a close relationship to Cablevision offered to find out why CSN was having so much trouble obtaining any additional carriage on Cablevision's systems. Several days later, the intermediary reported to Greenberg that Cablevision's Vice Chairman, Marc Lustgarten, had told him that Cablevision "likes CSN a lot, but if we don't own it we don't have any incentive to launch it."

36. That Lustgarten was stating Cablevision's policy is apparent in light of Cablevision's recent channel addition decisions. Cablevision, of course, would have people think otherwise. Toward that end, Cablevision issued a press release on March 3 citing lack of channel capacity as a reason for not carrying CSN and other new services on its New York area systems and stating that "we are doing our best to accommodate the many new services that wish to be carried." Despite this statement, the fact remains that Cablevision launched its wholly-owned Romance Classics channel on all of its New York City cable systems in Brooklyn and the Bronx immediately upon the initial satellite transmission of Romance Classics in February 1997. CSN is informed and believes that Romance Classics is the only channel that has been added to Cablevision's New

York City systems this year, further evidencing Cablevision's policy of giving substantial, if not universal, cable distribution to the networks that it owns at the expense of other programming services in which it does not own a financial interest.

37. More recently, Rainbow has been inquiring about licensing rights to sports programming with the avowed intent of introducing a "nostalgic, Classic Sports-like service." CSN does not know whether Rainbow has denied carriage to CSN in anticipation of introducing its own affiliated programming service that would compete directly with CSN, or whether it simply wants it made known to CSN that it is considering introducing a similar service in order to coerce CSN into acceding to its demand for a financial interest in, or total ownership of, CSN. Press reports have stated that Cablevision has previously sought to extract an ownership interest in a programming service (Court TV) by publicly announcing fictitious plans to launch a competing service. See Article in Cable World (copy attached as Exhibit 6). The article added that "Cablevision is notorious for pushing the limits."

Cablevision's Demands for Exclusivity

38. Based on earlier conversations in which Cablevision made it clear that it desired exclusive rights to CSN programming against other multichannel

video programming vendors, CSN proposed an amendment to its July 1995 affiliation agreement that would grant Cablevision exclusive rights to terrestrial distribution of CSN within Cablevision's franchise areas in Massachusetts, New Jersey and New York (but not Connecticut), in exchange for Cablevision's agreement to launch the Service. This offer did not, however, satisfy all of Cablevision's demands for exclusivity.

39. In October 1996, Cablevision began to demand that CSN grant exclusivity against SNET in Connecticut as a condition for carriage on any additional Cablevision systems. SNET had been granted a statewide cable franchise in Connecticut and had announced plans to aggressively overbuild a number of markets throughout the State, including Cablevision's Fairfield County territory. Peter Low, Cablevision's Vice President of Programming, told Greenberg that exclusivity was a "key issue" for Cablevision, and was a "hot button" for Charles Dolan. Low said that Cablevision would launch the Service on the lowest price Optimum tier, i.e., its most highly penetrated tier, in exchange for exclusivity in Connecticut, New York, New Jersey and Boston.

40. CSN was not sure that it could offer Cablevision exclusive rights against SNET in Connecticut consistent with CSN's other affiliation agreements. On November 8, 1996, Low told Greenberg that exclusivity in

Connecticut was mandatory from Cablevision's perspective in order for it to launch the Service on any additional systems. He insisted that CSN take the position that it would not authorize SNET to launch the Service in Connecticut and that it litigate that position if necessary. Greenberg agreed to revise the draft exclusivity agreement to accommodate Cablevision's demand, and sent a revised draft to Low. Greenberg made it clear that he needed a response to this offer in a timely manner. However, Low never responded to this November draft, nor did he respond to Greenberg's subsequent telephone calls and faxes on the subject.

41. On January 7, 1997, having received no response from Cablevision, CSN authorized SNET to launch the Service in Connecticut. Thereafter, in mid-January 1997, Low asked Greenberg about the status of CSN's arrangement with SNET. Greenberg advised Low that CSN had authorized SNET to launch the Service. Low asked if that could be undone, and Greenberg replied that it could not.

42. In that conversation with Low, Greenberg again asked Low about a launch of the Service on Cablevision systems in New York, New Jersey and Connecticut in light of the popularity of the Service. Low said that Cablevision would not consider launching CSN.

43. On January 17, 1997, Bedol phoned Low to ask "what it would take" for Cablevision to carry the Service on additional systems. In response, Low asked Bedol whether Cablevision could obtain exclusivity for the Service in Connecticut, and Bedol agreed to look into it. On January 22, 1997, Bedol informed Low that SNET had been authorized to launch the Service. Low told Bedol that unless Cablevision could get exclusive rights to the Service in Connecticut, it would not launch the Service anywhere and it was unlikely that the two companies could do business together anywhere.

44. On or about January 29, 1997, Greenberg called James Dolan, who returned the call the following day. Dolan made it clear that negotiations were at an end and stated that Cablevision would not launch the Service.

Consequences Of Cablevision's "Freeze-Out" of CSN

45. Cablevision system managers continue to recommend to their management that the Service be added to their program line-ups, but Cablevision senior management will not authorize such carriage.

46. Despite the fact that CSN has had an affiliation agreement with Cablevision since July 1995; despite the fact that the Service has been launched by the country's other major cable and DBS operators and that it has been a popular service where it is carried;

despite the fact that Cablevision executives, from James Dolan down to system general managers, all profess enthusiasm for the Service; despite the Service's undeniable popularity in the New York market; and despite the fact that Cablevision has previously promised to launch it on various of its systems, the Service is carried only on a low-penetration tier on Cablevision's Boston system and on two small systems in the suburban Cleveland municipalities of North Olmsted and Berea with a total of 23,000 subscribers.

47. As a result, CSN is unavailable to Cablevision's over one million subscribers in the New York metropolitan area, as well as to most Cablevision subscribers elsewhere. CSN's inability to reach so many subscribers in the largest media and advertising market in the country has a disproportionate impact on its ability to establish itself as a viable programming service.

COUNT I

VIOLATION OF 47 C.F.R. § 76.1301(a)

48. Paragraphs 1-47 above are repeated and realleged as if fully set forth herein.

49. Congress sought, in the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act"), to promote competition and diversity of programming and to proscribe coercive practices by

which cable operators would force video programming vendors to grant financial interests in their program services or exclusive rights to those services as a condition of carriage. Section 616, which was added by Section 12 of the 1992 Cable Act, charged the FCC with establishing regulations "governing program carriage agreements and related practices between cable operators or other multichannel video programming distributors and video programming vendors." 47 U.S.C. § 536(a).

50. Congress further directed that such regulations "shall include provisions designed to prevent" cable operators from requiring a financial interest in a program service as a condition of carriage on one or more of such operator's systems, and from coercing a video programming vendor to provide, or retaliating against such a vendor for failing to provide, exclusive rights against other multichannel video programming vendors as a condition of carriage on a system. 47 U.S.C. § 536(a)(1)-(2).

51. The Commission adopted regulations under § 616 on September 23, 1993. Those regulations state:

> **(a) Financial Interest.** No cable operator or other multichannel video programming distributor shall require a financial interest in any program service as a condition for carriage on one or more of such operator's/provider's systems.
>
> **(b) Exclusive rights.** No cable operator or other multichannel video programming distributor shall coerce any video programming vendor to provide,

> or retaliate against such a vendor for failing to provide, exclusive rights against any other multichannel video programming distributor as a condition for carriage on a system.

47 C.F.R. § 76.1301(a)-(b).

52. Cablevision has engaged in a clear and persistent pattern of conduct, over an extended period of time, of refusing to carry the Service on any of its systems beyond the meager carriage it has provided to date -- and, in particular, by refusing to carry the Service on its large cable systems in the New York area -- unless CSN accedes to its demands for a financial interest in, or total ownership of, CSN. Cablevision's conduct has gone far beyond good faith bargaining over a possible purchase to an adamant refusal to carry the Service unless it owns CSN.

53. By conditioning carriage of the Service on one or more of its systems on CSN's granting or selling a financial interest in CSN to Cablevision, Cablevision has violated the express prohibitions of § 76.1301(a) of the Commission's Rules, 47 C.F.R. § 76.1301(a).

COUNT II

VIOLATION OF 47 C.F.R. §76.1301(b)

54. Paragraphs 1-53 above are repeated and realleged as if fully set forth herein.

55. Cablevision also has demanded exclusive rights to the Service as a condition of carriage, and

has retaliated against CSN for its failure to grant the full range of exclusive rights demanded by Cablevision, by refusing to carry the Service on any of its systems beyond the meager carriage it has provided to date -- and, in particular, by refusing to carry the Service on its large cable systems in the New York area.

56. By engaging in coercive behavior in an effort to force the grant of exclusive rights against other multichannel video programming vendors as a condition of carriage of CSN on one or more of its systems, and by retaliating against CSN -- by denying such carriage -- for its refusal to grant the full range of exclusive rights demanded by Cablevision as a condition of carriage, Cablevision has violated § 76.1301(b) of the Commission's Rules, 47 C.F.R. § 76.1301(b).

CONCLUSION

57. Cablevision's behavior, as set forth above, is precisely the sort of conduct that Congress sought to prevent in enacting Section 616 and that the Commission condemned when it adopted its 1993 Order implementing Section 616. As the Commission stated in that Order: "We believe that ultimatums, intimidation, conduct that amounts to the exertion of pressure beyond good faith negotiations, or behavior that is tantamount to an unreasonable refusal to deal with a vendor who refuses to grant financial interests or exclusivity rights in

exchange for carriage, should be considered examples of behavior that violates the prohibitions set forth in Section 616." *In re* Implementation Of Sections 12 and 19 Of The Cable Television Consumer Protection and Competition Act of 1992, *Development Of Competition and Diversity In Video Programming Distribution and Carriage*, 9 FCC Rcd. 2642 at ¶ 17 (1993).

58. Unless the Commission grants relief to CSN in this case, Cablevision and other multichannel video programming distributors will feel free to continue to coerce independent programming vendors to extract financial interests or exclusive rights without regard to the intention of Congress and the Commission that such conduct be prohibited.

RELIEF SOUGHT

WHEREFORE, CSN respectfully requests, pursuant to 47 C.F.R. § 76.1301(s), that the Commission:

(a) Order Cablevision to provide the Service carriage on all Cablevision systems, pursuant to the terms of the affiliation agreement between CSN and Cablevision dated July 26, 1995;

(b) Order that carriage for the Service on such Cablevision systems be implemented without delay;

(c) Order that, if one or more of such Cablevision systems lacks capacity to add carriage of the Service, such system delete a programming service